



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL
KANSAS CITY OFFICE

8930 Ward Parkway, Suite 2401
Kansas City, Missouri 64114-3302



AUDIT SERVICES

FAX (816) 823-1398

Telephone (816) 268-0500

INVESTIGATION SERVICES

FAX (816) 268-0526

Date: January 15, 2004

Ann Hart, Ph.D.
President
University of New Hampshire
Room 201 Thompson Hall
2 Garrison Avenue
Durham, New Hampshire 03824

Dear Dr. Hart:

This is our final audit report, Control Number ED-OIG/A07-D0001, entitled Audit of the Talent Search Program at the University of New Hampshire. The objective of our audit was to determine if the University of New Hampshire administered the Talent Search program in accordance with the law (Higher Education Act of 1965, Section 402B) and specific Talent Search regulations governing the documentation of participant eligibility. The report incorporates the comments you provided to us on June 23, 2003, in response to our draft audit report. The response indicates that you did not concur with our finding or recommendations. After reviewing your response, we edited our finding and recommendations. We have summarized your comments after our finding and recommendation and your full response is provided as an attachment to this letter.

AUDIT RESULTS

The University of New Hampshire (the University) did not always administer its Talent Search grant in accordance with applicable regulations or its Departmental agreement. Specifically, the University could not provide documentation for all services it claims to have provided to participants.

For the grant period September 1, 2001, through August 31, 2002, we estimate that the University may have served fewer than the 1,150 participants it was funded to serve. We recommend that the University improve established procedures to ensure that only those

participants receiving eligible services are counted as Talent Search participants and that those services are properly documented.

Regulatory Definitions and Requirements for Talent Search Grantees

On September 1, 1999, through an amendment to the original Partnership Agreement, the University and the Department agreed that the grant was to serve 1,150 participants (the target population). This is more than the minimum 600 participants required to be served per the Talent Search regulation in 34 C.F.R. § 643.32(b).

Participants must meet two conditions according to 34 C.F.R. § 643.7

- (b) *Other definitions . . . Participant* means an individual who—
- (1) Is determined to be eligible to participate in the project . . . ; and
 - (2) Receives project services designed for his or her age or grade level.

Department officials offered us examples of adequate documentation for services provided, such as sign-in sheets. The regulation at 34 C.F.R. § 643.32(c)(3) requires grantees to maintain documentation to support the services rendered.

Some Talent Search Participants Claimed Did Not Receive an Eligible Service

We selected a random sample of 50 names out of 1,177 from a list provided by the University (the sample universe) of Talent Search participants claimed for the 2001-2002 budget period. We reviewed the files of all 50 participants selected and found that, although eligibility was documented for all 50, only 45 met the second part of the participant definition of receiving an eligible service during the budget period. The five remaining participant files reviewed did not contain documentation to support receipt of an eligible service during the budget period. We project, from the results of the 50 files reviewed, that the University may have served about 1,060¹ participants.

In December 2002, we reviewed the University's 2001-2002 Annual Performance Report (APR) and found that the University had reported 30 additional participants, over the sample universe of 1,177 provided to us during our site visit, as participants being served during the budget period. We requested the 30 student files and performed a file review. From our review, we determined that the additional 30 students claimed to be participants met the definition of a participant, and therefore should be included in the University's participant count.

¹ We are 90% confident that the participants receiving eligible services total 1,059 +/- 7.75%.

With the 30 additional students, we estimate that the University may have served about 1,090, which is below the approved target population of 1,150. However, our estimate has a statistical interval range, showing it is possible the University may have served its target population. Therefore, our recommendation is limited to improving the University's documentation of services provided to Talent Search participants.

Recommendations:

We recommend that the Chief Financial Officer (in collaboration with the Assistant Secretary for Postsecondary Education) require the University of New Hampshire to:

- 1.1 Improve established procedures to ensure that only those participants receiving eligible services are counted as Talent Search participants and that those services are properly documented.

OTHER MATTERS

Citizenship was not documented in 11 of the 50 initial sample files reviewed or in 3 of the additional 30 files reviewed. We were able to ascertain the citizenship status of all 14 participants questioned after the University obtained additional documentation of citizenship status. We are not making any recommendations because the application form currently used by the University's Talent Search program captures citizenship data, however, earlier application forms did not.

Auditee Response and OIG Comments

The University "recognizes that more complete documentation is required." Moreover, the University reported that it has taken appropriate action by revising its documentation of services process and its review of student records process.

However, the University disagreed that the services provided to the participants we cited as exceptions in our sample were not eligible and documented because it believes, "Each of the five participants determined to not have been provided an eligible service did, in-fact, receive at least two eligible services." The University noted, in its response for 2 of the 5 exceptions, that advisors failed to check off the boxes under "ETS Services Provided" which might affirm that service was provided to those students. We do not consider the Final Follow-Up form, upon

which the “boxes” are located, as a service or documentation to support receipt of an eligible service.²

For all five of our exceptions, the University stated that contact sheets were not completed by advisors as required by the University’s Talent Search policies and procedures: “A contact sheet needs to be written every time a student is seen.” The director and staff repeated this procedural policy when interviewed.

During our fieldwork, Talent Search officials pointed out packets of grade-appropriate materials as described by the University in its response. If advisors did thoroughly review the packets with individual students, as the University contends in its response, no supporting documentation (i.e., note to contact sheet) was provided to us at the time of our file review or in conjunction with its response to our Draft Report. Therefore, we maintain, based on the results of our audit, that five of the 50 student files we reviewed did not include documentation to support receipt of an eligible service during the 2001-2002 budget period.

BACKGROUND

Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a-11 and 12), authorizes the Talent Search program, one of the Department’s TRIO programs. The Talent Search program is governed by the regulations codified in 34 C.F.R. Part 643. All regulatory citations in the report are to the codification in effect as of July 1, 2001.

The Talent Search program provides grants to projects designed to (1) identify qualified youths with potential for education at the postsecondary level and encourages them to complete secondary school and undertake a program of postsecondary education; (2) publicize the availability of student financial assistance for persons who seek to pursue postsecondary education; and (3) encourage persons who have not completed education programs at the secondary level, but who have the ability to do so to reenter these programs (34 C.F.R. § 643.1).

The University of New Hampshire is located in Durham, New Hampshire. It was founded in 1866 and is a public research institution with undergraduate and graduate programs. The University of New Hampshire (Durham) is one of five main campuses of the University System of New Hampshire. The undergraduate student population at the University is 10,500.

² During the review, we determined that the Final Follow-Up form merely provides summary information. The form captures the current and next year’s grade level, whether or not a parent attended a school related activity, next year’s courses, career interests of the student, educational plans of the student, and ETS (Educational Talent Search) services provided.

The University was awarded a four-year Talent Search grant covering the performance period September 1, 1998, through August 31, 2002 (P044A980646). For the 2001-2002 budget period, the University was awarded \$439,862, and a \$10,000 supplemental technology grant awarded to all Talent Search projects. The University has participated in the Talent Search program since 1969 and is the sole Talent Search program in the state of New Hampshire. The Talent Search program serves 50 high schools and 8 middle schools covering every county in the state of New Hampshire. The county-based outreach staff lives in their respective target area, which serves both urban and rural populations.

AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

The objective of our audit was to determine if the University of New Hampshire administered the Talent Search program in accordance with the law and specific Talent Search regulations governing the documentation of participant eligibility. Specifically, we sought to determine whether participants met the twofold requirements of (1) eligibility and (2) receipt of eligible services during the budget period.

To accomplish our objective, we

- reviewed applicable Federal law and regulations,
- reviewed files relating to the Talent Search project at the University and at the Department's TRIO program office located in Washington, D.C.,
- interviewed University and Department of Education personnel,
- determined whether the TRIO cluster had been audited by the University's Certified Public Accountants,
- obtained and analyzed documents related to the Talent Search project at the University (e.g., organization chart, University policies and procedures),
- randomly selected and reviewed 50 Talent Search participant files from a universe of 1,177 to test participant eligibility and documentation of eligible service, and
- reviewed the 30 additional student files to test participant eligibility and documentation of eligible service.

We relied upon the population list provided to us by University officials for drawing our sample. We tested the population list for accuracy and completeness by comparing source records to the population list and the population list to source records. Based on this test, we concluded the population data was sufficiently reliable to be used for a sample population of claimed

participants.³ An extract of payment and award data from the Department's Grants and Payments System (GAPS) was used to corroborate information obtained from the University's accounting system. We found that the University's accounting data was sufficiently reliable for our audit purposes.

The audit covered the 2001-2002 grant budget period (September 1, 2001, through August 31, 2002). We visited the Department's TRIO program offices located in Washington D.C. from July 31, 2002, to August 2, 2002. Fieldwork was conducted at the University of New Hampshire from October 15, 2002, to October 21, 2002. We held an exit conference with University officials on October 21, 2002. Our audit was conducted in accordance with generally accepted government auditing standards appropriate to the scope of review described above.

STATEMENT ON MANAGEMENT CONTROLS

As part of our review we assessed the system of management controls, policies, procedures, and practices applicable to the University of New Hampshire's administration of the Talent Search program. Our assessment was performed to determine the level of control risk for determining the nature, extent, and timing of our substantive tests to accomplish the audit objectives.

For the purpose of this report, we assessed and classified the significant controls into the following categories:

- Services provided to participants
- Participant eligibility
- Program record maintenance

Because of inherent limitations, a study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the management controls. However, our assessment disclosed management control weaknesses, which adversely affected the University of New Hampshire's ability to administer the Talent Search program. These weaknesses resulted in noncompliance with Federal regulations related to documentation of participant services and citizenship status. These weaknesses and their effects are fully discussed in the *AUDIT RESULTS* section of this report.

³ The additional 30 participants did not affect data reliability because they were not in the originally claimed population, but were discovered afterwards by the University.

ADMINISTRATIVE MATTERS

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on the audit:

Jack Martin
Chief Financial Officer
Office of the Chief Financial Officer
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

It is the policy of the U.S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be greatly appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,



William Allen
Regional Inspector General for Audit

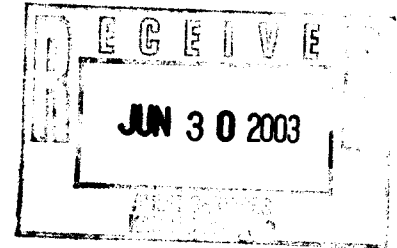
Attachment

cc: Jack Martin, Chief Financial Officer
Sally Stroup, Assistant Secretary, Office of Postsecondary Education

UNIVERSITY of NEW HAMPSHIRE

June 23, 2003

U.S. Department of Education
Office of Inspector General
8930 Ward Parkway, Suite 2401
Kansas City, MO 64114-3302



ATTN: William Allen
Regional Inspector General for Audit

Subject: Draft Audit Report (Control Number ED-OIG/A07D0001)

Dear Mr. Allen:

We are in receipt of the referenced draft audit report in which you present the results of the audit performed by your office of the Educational Talent Search Program (ETSP) at the University of New Hampshire (UNH) during the period from October 15, 2002 through October 21, 2002. (The audit covered the grant budget period September 1, 2001, through August 31, 2002). We greatly appreciate the opportunity to respond to the draft audit findings as presented in the report.

Audit Results as Stated in the Draft Report:

- The UNH ETSP was funded to serve 1150 participants during the budget year under review
- Selected a random sample of 50 names out of 1,177 (sample universe) from a list provided by the UNH of ETSP participants claimed for the 2001-2002 budget period
- Eligibility was documented for all 50 participants selected
- Only 45 of the 50 received an eligible service during the budget period
- The ETSP Director confirmed that the five noted exceptions did not receive a project service during the budget period
- Based on the sample, projected that the UNH served 1,059 participants
- Subsequent review of the UNH 2001-2002 Annual Performance Report resulted in the identification and review of the files of 30 additional participants. Each of the 30 was determined to be qualified participants and was added to the University's participant count by the Department of Education.
- The total number of participants served by the UNH during the budget period was determined to be 1,089 (1059 based on the sample, and 30 additional based on subsequent review) by the Department of Education

OFFICE OF THE PRESIDENT





Thompson Hall 105 Main Street Durham, New Hampshire 03824 Phone: 603-862-2450 Fax: 603-862-3060

Recommendations as Stated in the Draft Report:

- 1.1 UNH is to refund \$23,300, a pro-rata share of the \$439,862 expended for its ETSP for the 2001-2002 budget period.
- 1.2 UNH is to follow established procedures to ensure that only those participants receiving eligible services are counted as ETSP participants and that those services are properly documented.

UNH Response to Results of Audit and Recommendations:

- 1) The UNH ETSP provided eligible services to a total of 1,207 participants during the budget period under review. This figure is based upon the full sample universe (1,177) provided to the Department of Education plus the 30 additional participants deemed to be eligible during the course of the Department of Education review.
- 2) The UNH ETSP Director did not confirm and does not concur with the finding that 5 of the sampled claimed participants did not receive an eligible service.
- 3) Each of the five participants determined to not have been provided an eligible service did, in-fact, receive at least two eligible services. Please note that upon admittance to the ETS program each student is given a packet full of grade appropriate career, college, and study skills materials which the advisor thoroughly reviews with him/her. The services provided were not completely documented and as a result were not evident to the auditors during the course of their review. The details supporting this position are as follows:

Student	Admitted by Advisor	File Started at ETS Office	Date(s) Seen by ETS Advisor	Services Provided
	4/29/02	5/9/02	4/29/02 5/27/02 (tele)	Counseling Academic advising
Issue: No contact sheet completed by advisor on 4/29/02; "Action Plan" and "Final Follow-Up" completed w/student over the phone, therefore form is not signed by the student.				
	3/6/02	3/14/02	3/6/02 4/17/02	Counseling Academic advising
Issue: No contact sheet completed by advisor on 3/6/02; however "Action Plan", contact sheet, and "Final Follow-Up" completed and signed by advisor and student on 4/17/02.				
	3/29/02	4/3/02	3/29/02 5/10/02	Counseling Academic advising
Issue: No contact sheet completed by advisor on 3/29/02; "Action Plan" completed and signed by student on 5/10/02 visit, but not actually signed by advisor until 6/4/02. Advisor completed requisite "Final Follow Up" form but failed to check off boxes under "ETS Services Provided".				
	4/10/02	4/29/02	4/10/02	Counseling Academic advising

[REDACTED]	4/10/02	4/29/02	4/10/02 5/17/02	Academic advising Counseling
Issue: No contact sheet completed by advisor on 4/10/02; however "Personal Inventory" completed and signed by student and advisor on 5/17/02 as well as "Final Follow-Up" form.				
[REDACTED]	5/23/02	6/7/02	5/23/02	Counseling Academic advising
Issue: No contact sheet completed by advisor on 5/23/02. "Final Follow-Up" form completed on 5/23/02, but advisor failed to check off boxes under "ETS Services Provided".				

- 4) There is no refund due the Department of Education for ETSP funding provided for the project period under review. The UNH ETSP in-fact did exceed the required number of participants to be provided eligible services by 57.
- 5) The UNH ETSP office recognizes that more complete documentation is required in order to track and report compliance with Talent Search Program requirements and has taken appropriate actions. Advisors now complete a separate contact sheet upon admitting a new student to the program which fully documents the provision of services provided to the student on the date he/she was admitted to the program. Additionally, all students' records now receive a final "record review audit" by the Director, Associate Director, or Middle School Coordinator at the end of each academic year to ensure that all services provided to each student have been properly documented and student eligibility is again verified.

"Other Matters" as Stated in Draft Audit Report:

- Citizenship was not documented in 11 of the 50 initial sample files reviewed or in 3 of the additional 30 files reviewed. The auditors were able to ascertain the citizenship status of all 14 participants questioned after the University obtained additional documentation of citizenship status.
- Not making any recommendation because the application form currently used by the UNH's Talent Search program captures citizenship data whereas forms previously in use, did not.

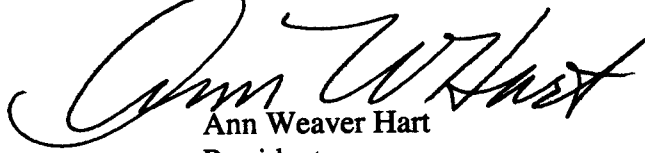
UNH Response to "Other Matters"

- It should be noted that as of June 1, 2003, the citizenship status of 100% of current (active) students has been documented and such documentation exists in each student folder.

We trust that our responses have satisfactorily addressed each of the issues raised in the draft audit report and that this matter can now be resolved without further delay and certainly without any requirement for the refunding of ETSP funds by the University of New Hampshire. The University remains dedicated to the mission of the ETSP and looks forward to continued support and participation.

Should you have any questions regarding this matter, please contact Hugh Christian, Manager of Sponsored Programs Accounting at (603) 862-0609 or Marsha Johns, Talent Search Program Director at (603) 862-3266.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Weaver Hart". The signature is fluid and cursive, with the first name "Ann" being particularly prominent.

Ann Weaver Hart
President
University of New Hampshire

C: Hugh Christian, Manager of Sponsored Programs Accounting (UNH)
Marsha Johns, Director, Talent Search Program (UNH)
Mark Rubinstein, Vice Provost – Academic Achievement (UNH)